

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 22**

January 8, 2009

**SUMMARY OF BILL:** Increases the minimum age requirement for an entertainer in an adult-oriented establishment from 18 to 21 years of age. Creates minimum requirements for issuing entertainer permits in local governments that regulate adult-oriented establishments.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue - \$42,500/Permissive**

**Decrease Local Revenue - \$7,000**

**Increase Local Expenditures - \$30,000/Permissive**

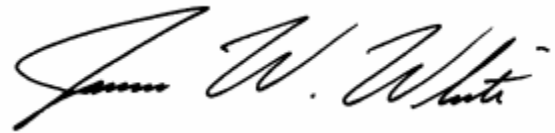
**Assumptions:**

- According to the Davidson County Sexually Oriented Business Licensing Board, the percentage of entertainers between the ages of 18 and 21 in Davidson County is approximately 14 percent. According to available data, only Davidson County currently licenses these entertainers. (Shelby County implemented a program but it has been suspended pending a federal court ruling.)
- Because a substantial portion of these entertainers do not currently work in municipalities with entertainer permit systems, the decrease in local government revenue from increasing the age requirement will be limited to Davidson County. Davidson County currently licenses approximately 444 entertainers with fees varying depending on whether it is a new application (\$50), renewal (\$100), or late renewal (additional \$50). Of this number, 14 percent or 62 entertainers will lose their license, and of that number 25 percent or 16 entertainers would have been subject to the late penalty. The reduction in revenue is \$7,000  $[(62 \times 100) + (16 \times 50) = \$7,000]$ .
- The start-up cost to local governments for establishing an entertainer permit regulation system is estimated to be \$10,000 per city. The Municipal Technical Advisory Service (MTAS) estimates that the start-up costs would be \$5,000. Davidson County estimates its annual licensing cost at \$15,000.
- Three additional cities will enact an entertainer permit system, at a combined cost of \$30,000.

- Eight hundred fifty new entertainers will register annually state-wide (apart from 444 currently registered in Davidson County).
- The annual registration fee will be \$50 per entertainer.
- Permissive local government revenue will increase by \$42,500.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive, flowing style.

James W. White, Executive Director

/kmc